

STATE OF UTAH

Fund Information

FINET Name: (TLA) Land Grant Management Fund

FINET Fund: 5495

Legal Name: Land Grant Management Fund

Legal Authorization: UCA 53C-3-101 (1)(a), -202; UCA 41-22-19

Earns Interest: ☒ Yes ☐ No **Earns Interest Authority:** UCA 53C-3-101 (1)(b)(ii)

Revenue Source(s):

1) Revenues from trust lands except revenues from sale of lands, 2) Interest earned, 3) Revenues from other activities of the director or administration 4) 50% of the revenue from mineral lease rentals and royalties from federal land exchange parcels 5) \$1.50 of the annual off-highway vehicle registration fee (see 01/18/2011 note).

Description:

The 1997 Legislature changed this from an expendable trust fund (Fund 779) to an enterprise fund. This fund accounts for the budget of the director and the administration of School and Institutional Trust Lands. All of the above revenues are deposited into this fund until the annual appropriation for administrative costs has been met. The remaining revenues earned are deposited directly to the Clearing Fund (Fund 793) and are distributed to the various trust beneficiaries.

Trust Lands holds many portions of land. Many of these could be improved and sold for a profit. By changing to an enterprise fund, Trust Lands is now able to capitalize development projects on Trust Lands.

The 1999 Legislature (SB187) specified the distribution of revenues from federal land exchange (Utah School and Lands Exchange Act of 1998, Pub. L. 105-335). 50% of rentals and royalties from mineral leases on the acquired lands shall be distributed to the Land Grant Management Fund.

HB 220 (2004 GS) provides that \$1.50 of the annual off-highway vehicle registration fee is deposited in the Lands Grant Management Fund for use by SITLA for costs associated with off-highway vehicle use on trust lands.

HB 134 (2007 GS) changes the distribution of the state's share of bonus payments, rentals, and royalties from the lease of minerals on acquired lands; acquired mineral interests; minerals on exchanged lands; and exchanged mineral interest. UCA 53C-3-202 now states that bonus payments from the lease of coal, oil and gas, and coal bed methane will now be distributed 50% to the US and 50% to the Land Exchange Distribution Account; rentals and royalties from the lease of subject minerals on acquired lands and acquired mineral interests will be distributed 50% to the Land Grant Management Fund and 50% to the Land Exchange Distribution Account.

NOTE: Most provisions of this bill are not effective unless SJR 12 passes during 2016 General Election and is approved by Legislature in the next general session.

SB 109 (2016 GS) Amends provisions related to schools and institutional trust lands and related education funding: Enacts language related to the distributions deposited in the Uniform School Fund (derived from Perm School Fund investments). Creates the Trust Distribution Account within the Uniform School Fund (in effect renames the Interest and Dividends Account #2470). Amends language governing the disposition of revenues in the State School Fund (which are deposited in the Trust Distribution Account - adds limits to the amount that may be deposited). Repeals and reenacts language related to the Invest More for Education Account (#2420). Directs the School Children's Trust Section to review each school for compliance with applicable law. Amends language governing the disposition of net revenues from institutional trust lands to be deposited into the respective institutional permanent funds. Enacts language related to the distributions of investment income from institutional trust funds. Certain sections are effective 7/1/2017 (UCA 53C-3-101 and 102). All other codes sections are effective July 1, 2017, if the amendment to the Utah Constitution proposed by S.J.R. 12, Joint Resolution on Proposal to Amend Utah Constitution -- Changes to School Funds, passes during the 2016 General Election and is approved by a majority of those voting on it at the next regular general election.

SJR 12 (2016 GS) This joint resolution of the Legislature proposes to amend the Utah Constitution to: 1 - modify language relating to the investment and holding of the State School Fund; 2 - modify a provision relating to the expenditure of money from investment of the State School Fund; limit distributions from the State School Fund from exceeding a specified percentage of the State School Fund; and 3 - modify a provision relating to sources of money for the Uniform School Fund. Special Clauses: Directs the lieutenant governor to submit this proposal to voters. Provides a contingent effective date of July 1, 2017, for this proposal.

STATE OF UTAH

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Fund Balance History:

<u>Fund</u>	<u>Year</u>	<u>Beg Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Transfers</u>	<u>End Balance</u>
5495	1998	\$0	\$6,632,592	\$4,118,462	\$8,012,045	\$10,526,175
5495	1999	\$10,526,175	\$3,545,606	\$8,368,564	\$0	\$5,703,217
5495	2000	\$5,703,217	\$4,891,041	\$4,778,238	\$0	\$5,816,020
5495	2001	\$5,816,020	\$7,834,491	\$5,522,664	(\$24,102)	\$8,103,745
5495	2002	\$8,103,745	\$6,987,746	\$6,226,400	(\$900)	\$8,864,191
5495	2003	\$8,864,191	\$8,242,209	\$6,710,046	\$0	\$10,396,354
5495	2004	\$10,396,354	\$8,823,133	\$6,643,755	\$0	\$12,575,732
5495	2005	\$12,575,732	\$12,877,283	\$7,695,736	(\$47,284)	\$17,709,995
5495	2006	\$17,709,995	\$13,119,664	\$7,942,935	\$0	\$22,886,724
5495	2007	\$22,886,724	\$16,211,796	\$8,996,461	(\$28,400,956)	\$1,701,103
5495	2008	\$1,701,103	\$19,897,911	\$9,636,357	(\$9,618,231)	\$2,344,427
5495	2009	\$2,344,427	\$25,787,257	\$9,743,887	(\$14,559,914)	\$3,827,883
5495	2010	\$3,827,883	\$19,976,038	\$8,790,939	(\$12,082,422)	\$2,930,560
5495	2011	\$2,930,560	\$21,367,345	\$9,524,592	(\$1,526,143)	\$13,247,170
5495	2012	\$13,247,170	\$6,925,793	\$9,780,525	(\$2,441,185)	\$7,951,253
5495	2013	\$7,951,253	\$8,528,253	\$10,353,353	(\$596,739)	\$5,529,414
5495	2014	\$5,529,414	\$12,129,053	\$10,230,256	(\$2,006,861)	\$5,421,351
5495	2015	\$0	\$0	\$0	\$0	\$0

This report presents unofficial, unaudited information that is subject to change.

For audited financial statements, see the State of Utah Comprehensive Annual Financial Report at <http://finance.utah.gov/cafr.html>